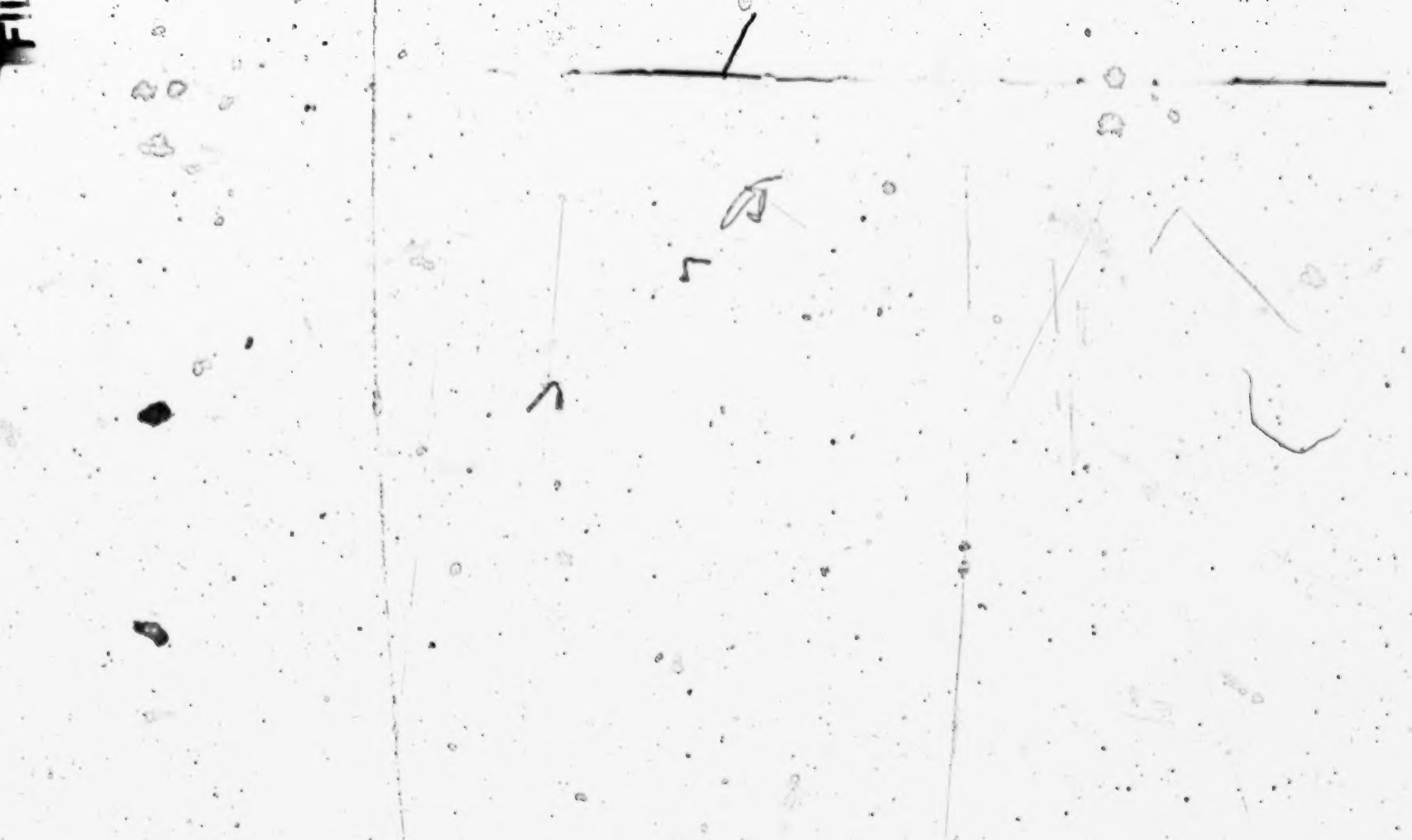

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In the Supreme Court of the United States

OCTOBER TERM, 1959

No. 855

NATIONAL LATEX PRODUCTS COMPANY and
THE AKRON PRESFORM MOLD COMPANY,
Petitioners,

v.

THE SUN RUBBER COMPANY,
Respondent.

RESPONDENT'S BRIEF OPPOSING PETITION FOR CERTIORARI.

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Respondent.

RESPONDENT'S BRIEF OPPOSING PETITION FOR CERTIORARI.

This is a patent controversy of the usual kind involving the issues of validity and infringement of two patents. After a trial of about ten days, the District Court held both patents valid and infringed by both petitioners, and the Court of Appeals for the Sixth Circuit affirmed as to one patent while holding the second patent valid but not infringed. Two separate petitions for rehearing, and a motion for rehearing *en banc* were considered and denied by the Court of Appeals. No valid reason appears to exist under the rules and decisions of this Court for granting a Petition for Writ of Certiorari.

Petitioner's Questions Presented, Statement of the Case, and Reasons Relied on for the Allowance of the Writ are replete with misleading and inaccurate statements and implications, and with self-serving conclusions at variance with the record.

RESPONDENT'S STATEMENT OF QUESTIONS PRESENTED.

1. May the regular division of judges in a Court of Appeals who sat on the original hearing of an appeal, and who denied a first petition for rehearing, consider and deny on behalf of the Court a motion requesting a second rehearing *en banc*, in accordance with the long-established procedure followed by said Court that petitions to rehear *en banc* should not *per se* be considered by the Court *en banc*?

2. Has the patentee met the requirements of invention set forth in *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147, where the Court of Appeals found, in addition to the "enormous commercial success" of the patented method, that "the process has to a great extent replaced the prior practices in the art"; that "the prolonged efforts of experts failed to produce the remedy desired"; that the invention "presents a process in which the whole exceeds the sum of its parts"; that the process comprises "an operation in which old elements combined in a new manner produce a wholly new result"; and that the combination has "contributed something not had before" and " added to the sum of useful knowledge"?

3. May a Court of Appeals take judicial notice of a statement from an Encyclopedia of technical data recognized as a reference book as one of several instances showing the existence of one particular indicia of invention, along with a number of other well established tests for patentability?

STATEMENT OF FACTS.

I.

The first Petition for Rehearing filed by petitioners was denied in a Memorandum by Judge Allen, speaking on behalf of the division consisting of Circuit Judges McAllister and Allen, and District Judge Mathes, which division had heard and decided the appeal.

Petitioners then filed a Motion and Second Petition for Rehearing, the motion asking:

(a) That the appeals be reheard by the Court *en banc* or by a division of active judges thereof; and

(b) That the motion be considered and disposed of by the Court *en banc*.

The Motion and Second Petition for Rehearing were considered by the same division that had decided the appeal and the First Petition for Rehearing, and were denied in an Order signed by Judge Allen on behalf of the division.

According to the established procedure in the Court of Appeals for the Sixth Circuit, no *written* designation or assignment is made or entered of a division of judges to hear appeals or motions or petitions for rehearing. In following the established procedure here, the Chief Judge orally designated the division to hear the present appeals and designated Judge Allen to write the opinion. (Judge Allen announced her retirement from active service shortly before the opinion was handed down.) According to the established procedure of the Court, the same division hears all motions and petitions for rehearing in the case.

The Order signed by Judge Allen denying the Motion and Second Petition for Rehearing states that:

"A rule long established and never deviated from by this Court is that in cases heard and decided by a

regular division of three judges, presenting similar motions for en banc proceedings, *a petition to rehear and reconsider* should not be considered by the Court en banc." (App. 61)*

The Order then stated that:

"The *motion* that the appeals be reheard en banc, and that the *motion* be disposed of by the Court sitting en banc must be denied." (Emphasis in all quotations supplied.)

Thus the Motion for a Second Rehearing *en banc* was received and considered by the Court of Appeals in accordance with its "rule long established and never deviated from," and the Court denied the *motion* as lacking in merit.

2.

The trial judge stated that:

"There is no doubt as to the evidence of experimentation, research and development by others in the field * * * but no one theretofore had disclosed the unique and original combination which, with some novel elements and also some old or known elements, produced a successful process for making thin walled hollow plastic articles, such as have been exhibited here, accurately, in my judgment, defines the value of the Molitor patent." (App. p. 5.)

The Court of Appeals held:

"The majority of the court considers that the instant case presents a process in which the whole 'exceeds the sum of its parts.' *Great Atlantic Tea Co. v. Supermarket Co., supra.* This is a true combination in which every element of the process co-acts with every other element and acts upon the material

* "App." refers to the Appendix filed in this Court with the Petition for Certiorari.

processed to produce the final result * * * The finished object is the product of an operation in which old elements combined in a new manner produce a wholly new result. It is a new function which fills a long felt need. *Foster Metal Products v. Bender, supra.* It is a new and unobvious result. *Brown v. Brock, supra.* The combination has contributed something not had before. It has added 'to the sum of useful knowledge.' It required long experimentation and more than ordinary mechanical skill to produce it." (App. p. 40.)

As to what Molitor supplied or contributed to the art, the Court of Appeals found the following facts:

1. The process comprised a single operation requiring the labor of one operator.

2. The process made it possible, for the first time in the history of the art, to manufacture hollow, strong and pliable articles which can be taken from the mold without being torn or distorted.

3. The comparable time of operation has been cut from a day or more to fifteen minutes.

4. The finished article has the exact size and shape of the mold and reproduces minute and detailed markings in the mold.

5. The process constitutes a new use in terms of physical and chemical action of the casting batch, resulting in elimination of the curing process formerly required.

6. The substitution of materials has developed new properties in the articles sought to be produced.

3.

In discussing the fact that the Molitor process using vinyl plastisol had replaced prior practices in the art using rubber latex, the Court of Appeals mentioned two instances where such replacement had occurred, and then

cited Modern Plastics Encyclopedia as a technical dictionary now defining slush molding in terms of the use of plastisol rather than rubber. The Court then stated that *this* is one of the strongest indicia of invention, "this" meaning the *replacement* of the rubber latex process by the Molitor plastisol process.

Modern Plastics Encyclopedia is an annual publication published by Modern Plastics Magazine, but the Encyclopedia is published independently of the magazine and contains much technical data not found in the magazine. The Encyclopedia is recognized in the Plastics Industry as a reference work and is filed in a number of Public Libraries as such.

ARGUMENT.

I. Petitions for Rehearing En Banc.

The *en banc* powers of Courts of Appeals is in no way involved in this case despite petitioners' attempt to make it an issue. This Court has clearly defined such powers in the *Western Pacific Railroad Case*, 345 U. S. 247, and there is no doubt that the Court of Appeals for the Sixth Circuit has the power to hear appropriate issues *en banc*. But there is nothing in the present case that qualifies it for a hearing *en banc*, and the Court of Appeals correctly refused to grant such a hearing.

This Court said in the *Western Pacific Railroad Case*, *supra*, that:

> "* * * a study of the legislative background of § 46(c). * * * makes it quite clear that the draftsmen intended to grant the *en banc* power and no more; the court itself was to establish the procedure for exercise of the power." (p. 257.)

and that each Court of Appeals:

"is vested with a wide latitude of discretion to decide for itself just how that power shall be exercised." (p. 259.)

Petitioners complain because the same division of judges of the Court of Appeals which decided the appeal considered and denied their motion to have a second petition for rehearing considered *en banc*. The order of the division denying the motion stated that:

> "A rule long established and never deviated from by this Court is that in cases heard and decided by a regular division of three judges, * * * a petition to rehear and reconsider should not be considered by the Court *en banc*. *National Labor Relations Board v. Cambria Clay Products Co.*, 229 Fed. 2nd 433. *Northwest Airlines, Inc. v. Glenn L. Martin Co.*, 229 Fed. 2nd 434." (App. pp. 61-62.)

In the *Western Pacific Railroad Case, supra*, this Court said:

> "A majority may choose to abide by the decision of the division by entrusting the *initiation* of a hearing or rehearing *en banc* to the three judges who are selected to hear the case." (p. 259.)

Thus the Court of Appeals for the Sixth Circuit is following precisely a procedure approved by the Supreme Court and, as enunciated in the Order denying the Motion for an *en banc* hearing, this procedure is long established and never deviated from in the Sixth Circuit. *National Labor Relations Board v. Cambria Clay Products Co.*, 229 Fed. 2nd 433; *Northwest Airlines, Inc. v. Glenn L. Martin Co.*, 229 Fed. 2nd 434; *National Bank of Detroit v. Wayne Oakland Bank*, 252 Fed. 2nd 537, 544 (1958).

In the *Northwest Airlines* case, the Court relied on the rule of the *Cambria* case and noted:

> "The uniform procedure there made public was established after full consideration by a majority of the Circuit Judges of this Circuit in active service."

Petitioners attempt to confuse the issue by utterly unfounded statements that "the Sixth Circuit has adopted and adheres to a policy of utter curtailment of the *en banc* power to rehear" (while admitting that it has heard one case *en banc*); and that "the policy in the Sixth Circuit involves no element of discretion but simply forecloses rehearings *en banc* to all litigants contrary to the ruling of this Court in *Western Pacific*."

These statements simply are not true. The Sixth Circuit has adhered strictly to the ruling of this Court in the procedure which the Sixth Circuit follows with respect to administering petitions to rehear *en banc*. The Sixth Circuit has *not* said it will not grant rehearings *en banc*.

Petitioners' failure to distinguish between an actual rehearing *en banc* and consideration of a motion to rehear *en banc* is reminiscent of the erroneous contention of the petitioner in *Western Pacific* that non-sitting judges could be compelled to act in every case. This Court said in that case:

> "Just as the statute makes no provision binding the court to entertain every request that a particular case be assigned to a particular division, so it should not be construed to compel the court to entertain, *en banc*, motions for a hearing or rehearing *en banc*." (p. 258.)

This Court has said that the *en banc* power may be used sparingly. It is obvious that otherwise *en banc* hearings would be sought by every losing party in a decision by a three judge division of a Court of Appeals. The primary function of *en banc* hearings is to resolve conflicts which arise between divisions of the Court on points of law or to decide special issues requiring consideration by the entire Court. No such conflicts or special issues are involved in the instant case which qualify it in the slightest respect to be heard *en banc*.

Petitioners' challenge to the right of Judge Allen to pass upon their motion for rehearing *en banc* ignores the fact that the motion was considered *by the division* consisting of Chief Judge McAllister, Circuit Judge Allen, and District Judge Mathes, sitting by assignment, and that the Order denying the Motion was signed by Judge Allen *on behalf of* said division.

The Order denying the motion states:

> "Judge Allen was designated by the Chief Judge of the Court of Appeals for the Sixth Circuit to sit in the division of the Court consisting of three judges only, which heard this case on Feb. 16, 1959, and also was designated and assigned by the Chief Judge to write the opinion. In the decision and final disposition of this case she is a regular Judge of the Court." (App. p. 63.)

This designation and assignment does not expire until this case is finally disposed of in the Court of Appeals, including participation with the division in all motions and petitions for rehearing. Judge Allen is listed on the roster of Judges in the Sixth Circuit as a Senior Circuit Judge and is available for special assignments in future cases.

28 U. S. C. 294 provides:

> "(b) Any retired circuit or district judge may be designated and assigned to perform such judicial duties in any circuit as he is willing to undertake. Designation and assignment of such judge for service within his circuit shall be made by the chief judge or judicial council of the circuit."

The denial of petitioners' motion for rehearing *en banc* by the division of three judges including Judge Allen is *not* in conflict with *G. H. Miller & Company v. United States*, 260 F. 2d 286, nor with the minority decision in *United States v. Sentinel Fire Insurance Co.*, 178 F. 2d 217, 239. The issue in both of those cases was whether a retired

judge is "in active service" such as to qualify him under 28 U. S. C. § 46(c) to participate in an *en banc* action or *to sit in an en banc hearing*. That same issue is in *United States v. American Steamship Corp.*, No. 138, October Term 1959, pending before this Court and described by petitioners as "The right to participate in the *decision* of a rehearing *en banc*."

That issue is not in the present case.

II. Application of Criteria of Invention of A. & P. v. Supermarket.

Petitioners' attempt to show that the Court of Appeals failed to apply the criteria of invention stated in *Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U. S. 147, amounts to no more than a reargument of factual issues which have been considered and determined, first in the Trial Court, and then in the Court of Appeals on three occasions: the appeals hearing and the first and second petitions for rehearing. There is no question of conflict with the *A. & P. v. Supermarket* case involved.

The Court of Appeals recognized the ruling in the *A. & P.* case that the question of invention is a question of law, but stated that here questions of fact exist which affect the conclusion of law, and went on to say that the facts as to the accomplishment of the Molitor process are clearly sustained by the record. The Court relied upon *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271 in support of their statement that they were bound by fact findings of the trial court which are not clearly wrong.

Moreover, in its Memorandum denying the first petition for rehearing, the Court said:

> "This Court has approved the findings and affirmed the judgment of the District Court with one exception

not questioned here. The facts were partly documentary and the evidential facts presented in the opinion were in the main not disputed. The dispute is as to the inferences to be drawn from the facts. Under such circumstances Courts of Appeals are authorized to draw their own inferences from the evidence. (*Stubbs v. Fulton Nat. Bank of Atlanta*, 146 F. 2d 558, cert. den. 325 U. S. 864; *Iravani v. Barkley*, 244 F. 2d 238, cert. den. 354 U. S. 939)" (App. p. 55.)

In two other places in its original opinion, the Court of Appeals carefully distinguished this case from the *A. & P.* case. They said:

"We recognize that commercial success alone is not the final test of invention. *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., supra*, 153. However, it is a relevant consideration when the question of invention is close. *Coats Loaders & Stackers, Inc. v. Henderson, supra*, 921. But the majority of the court thinks the District Court must be affirmed as to the validity of Molitor for reasons more cogent than that of the striking commercial success attained by practice of the Molitor patent. We think the judgment should be affirmed because Molitor has obtained a new product, presenting novel features highly useful in the art, which have received the tribute of the industry by being extensively adopted." (App. p. 37.)

"The majority of the court considers that the instant case presents a process in which the whole 'exceeds the sum of its parts.' *Great Atlantic Tea Co. v. Supermarket Co., supra.* This is true combination in which every element of the process co-acts with every other element and acts upon the material processed to produce the final result." (App. p. 40.)

The Trial Court did not find invention in Molitor merely because of commercial success but rather because Molitor was *the first* to produce a practical process which

succeeded in producing the desired articles. The Trial Court actually said Molitor's:

> "* * * new and improved method for manufacturing completely hollow plastic (plastisol) articles by continuous and automatic rotative mechanism with correlation of timing and temperature witnessed the first commercially successful method and means for producing such articles in an impressive way and in greatly increased and substantial quantities." (App. pp. 2-3.)

The accent is on "*first* commercially successful method" connoting a patentable advance rather than a substantial degree of commercial success.

To the same effect is the Trial Court's holding that:

> "* * * no one theretofore had disclosed the unique and original combination which * * * produced a successful process * * *." (App. p. 5.)

The Court of Appeals not only subscribed to the Trial Court's findings, but also made a number of additional findings based on the record and clearly indicating the presence of invention in the Molitor patent.

The decision of the Court of Appeals is *not* in conflict with decisions in other Courts of Appeals, specifically the decision of the Seventh Circuit Court of Appeals in *Armour & Co. v. Wilson & Co.*, 124 U. S. P. Q. 115. The concurring opinion in that case said that application of the test of invention set forth in 35 U. S. C. 103:

> "* * * requires the application of the correct legal criteria to the factual determination made by the trial court. This calls for the exercise of a legal judgment and as such is subject to review by an appellate tribunal as a question of law." (p. 125.)

and cited the *A. & P.* case in support of that statement.

In the present case the Court of Appeals expressly recognized the rule of the *A. & P.* case that the question of invention is a question of law, and then went on to set forth a number of reasons why the criteria of invention of the *A. & P.* case *had* been met by the Molitor invention.

III. Requirements for Disclosure in a Foreign Reference.

The only case cited by petitioners as being in direct conflict with the holding of the Court of Appeals herein that foreign references are to be strictly construed is *Hollywood-Maxwell Co. v. Street's of Tulsa* (C. A. 10, 1950), 183 F. 2d 261. The holding of the Court of Appeals herein is not in conflict with that decision.

The Court of Appeals decision in the present case on this point relied upon *Seymour v. Osborne*, 11 Wallace 516, 555, and the recent case of *Brown v. Brock* (C. A. 4, 1957), 240 F. 2d 723, 726. The *Hollywood* case holds that a foreign reference must teach invention with sufficient clarity and explicitness to enable one skilled in the art to carry it into practical use without further experimentation, and cites in support thereof *Seymour v. Osborne, supra; Cohn v. U. S. Corset Co.*, 93 U. S. 366; *Steiner Sales Co. v. Schwartz Sales Co.*, (C. A. 10), 98 F. 2d 999; *Dewey & Almy Chemical Co. v. Mimex* (C. A. 2), 124 F. 2d 986; *Kelley-Koett Mfg. Co. v. McEuen* (C. A. 6), 130 F. 2d 488.

Seymour v. Osborne held that a foreign reference, in order to anticipate, must:

> "* * * exhibit a substantial representation of the patented improvement, in such full, clear, and exact terms as to enable any person skilled in the art or science to which it appertains, to make, construct and practice the invention to the same practical extent as they would be enabled to do if the information was derived from a prior patent." (p. 555.)

Cohn v. U. S. Corset Co., supra, held that:

> "* * * unless the earlier printed and published description does exhibit the later patented invention in such a full and intelligible manner as to enable persons skilled in the art to which the invention is related to comprehend it without assistance from the patent, or to make it, or repeat the process claimed, it is insufficient to invalidate the patent." (p. 370.)

The very recent case of *Brown v. Brock, supra*, reiterates the rule. The statement of the rule in the *Hollywood* case, *supra*, is a restatement of the rule of the foregoing cases. The *Hollywood* case did *not* hold that a foreign reference is not to be strictly construed.

IV. Citation of Modern Plastics Encyclopedia.

The citation of Modern Plastics Encyclopedia has been magnified wholly out of proportion by petitioners in asserting denial of due process. In the first place, the Encyclopedia is not a trade publication, but a recognized reference book in the plastics industry, accessible in public libraries, and a proper subject for judicial notice. *Werk v. Parker*, 249 U. S. 130, 133. In the second place, it was cited by the Court of Appeals merely in conjunction with showing the established facts of replacement of the rubber latex process by the Molitor plastisol process.

Two specific instances were cited by the Court as showing the same thing: National (one of the defendants) had discontinued its use of rubber latex and employed plastisol exclusively, and another company had discontinued all but 20% of its use of rubber. The Court said:

> "National itself was working to solve the problem achieved by Molitor. Prior invention had failed to accomplish the result of Molitor and within a few years the process has to a great extent replaced the

prior practices in the art. National states in its brief that it has discontinued the use of rubber latex and employs vinyl plastisol exclusively. Prendergast states that Arrow has discontinued all but 20% of slush molding with rubber. It is asserted, and not denied, that numerous machines have been sold by Presform to practice this precise method. It is significant that a technical dictionary now defines slush molding in terms of the use of plastisol rather than rubber. *Modern Plastics Encyclopedia* (1959). *This* is one of the strongest indicia of invention." (App. p. 38.)

Plainly, "this" means the replacement of the rubber latex process by the Molitor plastisol process.

Accordingly, the effect of citing Modern Plastics Encyclopedia is merely cumulative and does not work to the detriment of substantive rights of petitioners.

CONCLUSION.

The petition does not present any questions of conflict or uncertainties in the lower federal courts requiring resolution by this Court, and should be denied.

Respectfully submitted,

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May 12, 1960.